

AR39



Established 1853

Financial Highlights

	Year ended January 31		Change
	1971	1970	
Sales	\$42,003,840	\$36,153,523	+16%
Income before interest and depreciation	4,254,870	3,203,512	+32%
Net income	1,637,580	1,030,602	+58%
Percentage of net income to sales	3.89%	2.85%	+36%
Earnings per common share	\$1.01	\$.69	+46%
Shareholders equity	7,924,443	6,355,778	+24%
Working capital	3,392,721	2,224,248	+52%
Current ratio	1.76	1.42	

Board of Directors

* G. RICHARD CHATER, <i>President, Grafton-Fraser Limited</i>	Campbellville
BRIG.-GEN. W. PRESTON GILBRIDE, C.B.E., D.S.O., E.D., LL.D., <i>Chairman of the Board, Grafton-Fraser Limited</i>	Toronto
WILLIAM A. HEASLIP, <i>Vice President, Grafton-Fraser Limited</i>	Milton
WILLIAM F. JAMES, <i>Partner, James, Buffman & Cooper</i>	Toronto
* JAMES W. McCUTCHEON, <i>Partner, Shibley, Righton & McCutcheon</i>	Toronto
STEWART PHILP, <i>Director</i>	Dundas
* JOHN B. RIDLEY, <i>Executive</i>	Toronto
SAM FOSTER ROSS, <i>a.c., Partner, Ross & Robinson</i>	Dundas
ANTS SOOTS, <i>Vice President, L. C. Tobias Company, Limited</i>	Toronto
T. EDWARD TOPPING, <i>Vice President and General Manager, Grafton-Fraser Limited</i>	Stouffville
DAVID B. WELDON, <i>Chairman of the Board, Midland-Osler Securities Limited</i>	London
DOUGLAS C. WOOLLEY, <i>a.c., Partner, Cobban, Woolley & Dale</i>	Toronto
THOMAS R. YOUNG, <i>President, L. C. Tobias Company, Limited</i>	Toronto

*Audit Committee

Officers

W. P. GILBRIDE, *Chairman*
G. R. CHATER, *President*
W. A. HEASLIP, *Executive Vice-President*
G. A. REYNOLDS, *Vice President, Finance, Secretary and Treasurer*

Transfer Agents and Registrar

CANADA PERMANENT TRUST COMPANY, TORONTO

Head Office

770 LAWRENCE AVENUE WEST, TORONTO

Auditors

THORNE, GUNN, HELLIWELL & CHRISTENSON, TORONTO

Directors' Report to the Shareholders

RETAIL OPERATIONS, *Grafton-Fraser Limited*

Licensed Woolco Departments

Eight new licensed departments were opened last year. The performance of this division continues to be excellent, but due to the sluggish state of retailing generally, the state of the economy specifically and, in isolated instances new competition, the company did not reach its budgeted sales for the last half of the year although substantial increases were obtained. With forty-one departments in well established Woolco stores, and two new openings for Spring of 1971, future prospects are very good and this division will immediately benefit from any improvement in the economy.

Retail Stores

During the year six new Jack Fraser stores were opened, three of which, for the first time, are outside the Province of Ontario. Next year we are planning further expansion in Western Canada with two new stores in British Columbia and one in Alberta. Two new stores will be opened in Ontario and one in Montreal. All 6 stores will be in air-conditioned malls. One small store and the G. B. Ryan Store of the Ross chain in downtown Guelph were closed, due to consistent loss patterns. Unprofitable small volume stores will be closed as their leases come due. Negotiations are under way for significant expansion of the chain in 1972, both in Ontario and Western Canada. We hope to achieve a similar degree of market penetration in Western Canada as we currently enjoy in Ontario. All new stores are well positioned for increased sales when retailing starts to enjoy the benefits of increased consumer spending.

Home Furnishings Manufacturing Division

This area of business has been affected by the economic slowdown, and although sales were approximately equal to the previous year, earnings were lower due to increased cost caused in part by late order placing by the major customers which created an unbalanced and more costly production cycle. We are optimistic that the company's historic pattern of growth in sales and profits will be resumed when housing starts, employment and consumer spending are once again going forward.

Associated Company

The company has an investment in an associated company in the home furnishings manufacturing field, whose results are not consolidated. Part of the investment is convertible in 1974 into a controlling interest in this company. Last year this company earned a modest profit, which at the present time is tax free. It is anticipated it's earnings will be taxed for part of next year. It is the intention of the company to exercise its conversion rights, subject to present progress continuing.

Financial

Initial dividends of 15¢ per share on preference shares and 5¢ per share on common shares were declared on December 2, 1970. It will be the policy of the company to pay a conservative percentage of its earnings, while allowing sufficient retained earnings to finance continuous rapid expansion. The major subsidiary, Grafton-Fraser Limited, purchased for cancellation 3,780 of its first preference shares in accordance with the provision of its preference shares. Since the year end, Grafton-Group Limited has completed a public issue of its common shares. The net proceeds to be derived by the company will be used to redeem all the company's outstanding preference shares, to repay bank loans, and the balance will be used to increase the company's working capital. An application will be made to list these shares on the Toronto and Montreal Stock Exchanges.

Appreciation

We are most appreciative of the efforts of management and staff and suppliers who have contributed so much in this period of vigorous expansion during a difficult economic period.

On behalf of the Board,
G. R. CHATER
President

Toronto, Ontario, April 12, 1971

GRAFTON GROUP LIMITED
(Incorporated under the laws of Ontario)
and subsidiary companies

Approved by the Board
JOHN B. RIDLEY, *Director*
W. A. HEASLIP, *Director*

		January 31	
		1971	1970
LIABILITIES			
CURRENT LIABILITIES			
Bank loan (note 4)	\$	180,000	\$ 1,122,600
Bank overdraft being outstanding cheques		95,182	137,905
Accounts payable and accrued liabilities		3,098,179	3,115,017
Income and other taxes payable		1,070,695	837,613
		<u>4,444,056</u>	<u>5,213,135</u>
NOTES PAYABLE (note 5)		190,000	350,000
DEFERRED INCOME TAXES		<u>36,700</u>	<u>34,900</u>
INTEREST OF MINORITY SHAREHOLDERS			
in preference and class A shares of subsidiary companies (note 6)		<u>906,893</u>	<u>990,040</u>
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (note 7)			
Authorized			
50,000 Non-voting 6% non-cumulative, preference shares, redeemable at par value of \$10 each			
3,500,000 Common shares without par value			
Issued			
48,265 Preference shares		482,650	482,650
1,611,496 Common shares		<u>4,041,883</u>	<u>4,041,883</u>
		4,524,533	4,524,533
CONTRIBUTED SURPLUS (note 8)		149,163	130,263
RETAINED EARNINGS		<u>3,250,747</u>	<u>1,700,982</u>
		<u>7,924,443</u>	<u>6,355,778</u>
		<u>\$13,502,092</u>	<u>\$12,943,853</u>
Contingent liabilities (note 9)			
Long-term leases (note 10)			

Consolidated Statements of Income and Retained Earnings

GRAFTON GROUP LIMITED
and subsidiary companies

	Year ended January 31	
	1971	1970
INCOME		
Sales	\$42,003,840	\$36,153,523
Cost of sales and expenses other than undernoted	<u>37,748,970</u>	<u>32,950,011</u>
Income from operations before taking into account the undernoted items	4,254,870	3,203,512
Interest on long term debt	1,200	34,621
Other interest and bank charges	354,947	324,918
Depreciation	<u>196,352</u>	<u>161,442</u>
	552,499	520,981
Income before income taxes, extraordinary item and minority interest	<u>3,702,371</u>	<u>2,682,531</u>
Income taxes		
Current	2,007,000	1,457,200
Deferred	<u>1,800</u>	<u>3,800</u>
	2,008,800	1,461,000
Income before extraordinary item and minority interests	<u>1,693,571</u>	<u>1,221,531</u>
Gain on sale of investments		27,079
Income before minority interests	<u>1,693,571</u>	<u>1,248,610</u>
Minority Interests		
Preference and class A shares of subsidiary companies	55,991	54,008
Common shares since acquired by Grafton Group Limited (note 11)		<u>164,000</u>
	55,991	218,008
Net income for the year	<u>\$ 1,637,580</u>	<u>\$ 1,030,602</u>
Earnings per common share	<u>\$1.01</u>	<u>\$.69</u>
RETAINED EARNINGS		
Balance at beginning of year	\$ 1,700,982	\$ 781,985
Deduct retained earnings of subsidiary applicable to shares issued to minority interest		<u>111,605</u>
	1,700,982	670,380
Net income for the year	<u>1,637,580</u>	<u>1,030,602</u>
	3,338,562	1,700,982
Dividends		
Preference shares	7,240	
Common shares	<u>80,575</u>	
	87,815	
Balance at end of year	<u>\$ 3,250,747</u>	<u>\$ 1,700,982</u>

Consolidated Statement of Source and Application of Funds

GRAFTON GROUP LIMITED
and subsidiary companies

	Year ended January 31	
	1971	1970*
Source of funds		
Operations		
Net income for the year	\$ 1,637,580	\$ 1,030,602
Items not involving current funds		
Depreciation	196,352	161,442
Deferred income taxes	1,800	3,800
Minority interest in common shares of subsidiary companies		164,000
Gain on sale of investments		(27,079)
	<u>1,835,732</u>	<u>1,332,765</u>
Payment from director re purchase of shares	5,000	5,000
Sale of fixed assets	57,750	
Portion of serial debenture classified as current liability converted to capital stock		30,000
Proceeds from sale of preferred shares of subsidiary		86,775
	<u>1,898,482</u>	<u>1,454,540</u>
Application of funds		
Additions to fixed assets	417,947	254,561
Payment of notes payable	160,000	347,700
Decrease in interest of minority shareholders less in 1971 gain on purchase for cancellation of preference shares (\$18,900)	64,247	35,338
Current funds in partial payment of purchase of the subsidiary, L. C. Tobias Company, Limited, less working capital acquired \$680,209		319,791
Working capital of subsidiary companies sold		427,747
Dividends		
Preference shares	7,240	
Common shares	80,575	
	<u>730,009</u>	<u>1,385,137</u>
Increase in working capital	1,168,473	69,403
Working capital at beginning of year	<u>2,224,248</u>	<u>2,154,845</u>
Working capital at end of year	<u>\$ 3,392,721</u>	<u>\$ 2,224,248</u>

*During the year ended January 31, 1970 there were several capital transactions which did not affect working capital and are not included above (notes 3 and 7).

Notes to Consolidated Financial Statements

GRAFTON GROUP LIMITED
and subsidiary companies

1. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Grafton-Fraser Limited and its subsidiary, Grafton's Limited for the 52 weeks ended January 6, 1971, 53 weeks ended January 7, 1970 and L. C. Tobias Company, Limited for the years ended December 31, 1969 and 1970. The subsidiaries are wholly owned except for minority interests in preference shares of two companies.

2. INVENTORIES

	1971	1970
Retail	\$ 5,061,750	\$ 4,474,891
Manufacturing		
Raw Materials	332,276	373,891
Work in process	175,976	200,425
Finished goods	275,311	279,652
	<u>783,563</u>	<u>853,968</u>
	<u>\$ 5,845,313</u>	<u>\$ 5,328,859</u>

The retail inventory is valued at the lower of cost and net realizable value less normal profit margin. Raw materials are valued at the lower of cost and replacement cost. Work in process and finished goods are valued at the lower of cost and net realizable value.

3. NOTE RECEIVABLE FROM AN AFFILIATED COMPANY

The note is non-interest bearing and is payable \$100,000 annually from May 1, 1974 to May 1, 1978 with the balance payable on May 1, 1979. A portion of the note, \$56,100, is convertible into 187,000 common shares of the affiliated company anytime after May 1, 1974 and prior to repayment on May 1, 1979. This note is collaterally secured by a demand debenture of one of the subsidiaries of the affiliated company, which debenture contains a second floating charge on all of the assets of such subsidiary.

4. BANK LOAN

Any bank advances are secured as follows:

Grafton Group Limited — the pledge of all the issued common shares of the subsidiary companies.

Grafton-Fraser Limited — a general assignment of the accounts receivable of the company and its subsidiary, Grafton's Limited, and collaterally secured by a demand debenture of \$5,000,000 containing a floating charge on the assets of Grafton-Fraser Limited and on the assets of its subsidiary.

L. C. Tobias Company, Limited — a general assignment of accounts receivable.

5. NOTES PAYABLE

	1971	1970
The notes payable are as follows:		
6% notes due December 31, 1971		\$ 80,000
6% notes due December 31, 1972		80,000
Non-interest bearing notes due April 30, 1972	\$ 190,000	190,000
	<u>\$ 190,000</u>	<u>\$ 350,000</u>
Included in the above are notes payable to directors of	<u>\$ 142,500</u>	<u>\$ 205,300</u>

6. MINORITY INTERESTS IN PREFERENCE AND CLASS A SHARES OF SUBSIDIARY COMPANIES

Grafton-Fraser Limited shall in each fiscal year apply to the retirement of preference shares by purchase for cancellation or by redemption an amount equal to 5% of its consolidated net income for the immediately preceding fiscal year. During 1970 Grafton-Fraser Limited purchased 3,780 preference shares in accordance with this provision. On January 18, 1971, 2,780 preference shares were purchased in partial satisfaction of the requirements for the current fiscal year.

7. CAPITAL STOCK

The company has reserved 95,000 common shares for allotment under an Employee Stock Option Plan. There were no changes in the capital stock during the year ended January 31, 1971. The transactions for the year ended January 31, 1970 were as follows:

	<u>Shares</u>	<u>Amount</u>
Preference shares		
Issued and outstanding at beginning of year	34,677	\$ 346,770
Issued during the year		
In partial payment for all the issued shares of L. C. Tobias Company, Limited	12,000	120,000
In partial payment for an outstanding debenture	1,588	15,880
Issued and outstanding at end of year	<u>48,265</u>	<u>\$ 482,650</u>
Common		
Issued and outstanding at beginning of year	4,387	\$ 7,815
Issued during the year		
In partial payment for all the issued shares of L. C. Tobias Company, Limited	320	560,000
	<u>4,707</u>	<u>\$ 567,815</u>
Subdivision on basis of 250 for 1	1,176,750	\$ 567,815
In partial payment for an outstanding debenture	9,750	74,100
In exchange for 386,360 common shares of Grafton-Fraser Limited (see below)	424,996	3,399,968
Issued and outstanding at end of year	<u>1,611,496</u>	<u>\$ 4,041,883</u>

On December 12, 1969, Grafton Group Limited issued 424,996 common shares, valued at \$8 per share to certain shareholders of Grafton-Fraser Limited, the majority of whom were also shareholders of Grafton Group Limited, in exchange for their 386,360 common shares on the basis of 11 common shares of Grafton Group Limited for 10 common shares of Grafton-Fraser Limited. As a result Grafton Group Limited became the owner of all the issued and outstanding common shares of Grafton-Fraser Limited. This exchange resulted in an amount of \$2,675,000 of excess of cost over underlying book values of subsidiaries at dates of acquisition.

On September 9, 1969, the company received supplementary letters patent converting the company into a public company and subdividing the issued common shares without par value on the basis of 250 for 1 and increasing the authorized common shares to 3,500,000.

8. CONTRIBUTED SURPLUS

During the year ended January 31, 1971, contributed surplus was increased by \$18,900, arising from a gain on purchase for cancellation of preference shares of Grafton-Fraser Limited (note 6).

9. CONTINGENT LIABILITIES

The company has guaranteed certain indebtedness of affiliated companies in the amount of \$310,000.

10. LONG-TERM LEASES

The aggregate amount of rentals incurred by the company's subsidiaries as an expense during their most recent fiscal periods in respect of all leases on real property (including licenses) was \$3,353,000. Based upon all leases (including licenses) in existence as at their fiscal period ends, the aggregate minimum annual amount that will be incurred by the company's subsidiaries as rental or license expense during their next five fiscal years is approximately \$2,253,000.

11. MINORITY INTEREST IN COMMON SHARE EARNINGS OF SUBSIDIARY

As at January 1, 1969 Grafton Group Limited owned 93% of the common shares of Grafton-Fraser Limited and shareholders of Grafton Group Limited held 6% of the common shares of Grafton-Fraser Limited and all the convertible notes payable by that company. As of April 1, 1969 these notes were converted into 214,656 common shares of Grafton-Fraser Limited in accordance with the terms thereof. Subsequently, Grafton Group Limited acquired all common shares of Grafton-Fraser Limited held by minority interests in exchange for shares of Grafton Group Limited. The exchange was based on values established in arm's length transactions during April and August 1969.

The minority interest in the common share earnings of Grafton-Fraser Limited from January 1, 1969 to December 12, 1969 (date of record of share transfers) amounted to \$164,000 which has been reflected in the consolidated statement of income for the year ended January 31, 1970.

12. OTHER STATUTORY INFORMATION

Remuneration of Directors and Senior Officers (as defined by The Business Corporations Act, 1970) was \$261,000 (1970, \$261,000).

13. SUBSEQUENT EVENT

Subsequent to the year end the company filed a preliminary prospectus for the issue of common shares.

Auditors' Report

To the Shareholders of
Grafton Group Limited

We have examined the consolidated balance sheet of Grafton Group Limited and subsidiary companies as at January 31, 1971 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at January 31, 1971 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne, Gunn, Hellewell & Christenson

Chartered Accountants

Toronto, Canada
February 12, 1971

Five Year Summary

	January 31				
	1971	1970	1969	1968	1967
Sales	\$42,003,840	\$36,153,523	\$25,219,174	\$21,461,478	\$ 3,312,558
Cost of sales and expenses other than undernoted	37,748,970	32,950,011	23,399,075	20,602,669	3,189,982
Income from operations before the undernoted items	4,254,870	3,203,512	1,820,099	858,809	122,576
Interest	356,147	359,539	254,810	263,286	33,267
Depreciation	196,352	161,442	100,137	108,611	47,248
	552,499	520,981	354,947	371,897	80,515
Income before income taxes extraordinary item and minority interests	3,702,371	2,682,531	1,465,152	486,912	42,061
Income taxes	2,008,800	1,461,000	789,000	253,000	11,000
	1,693,571	1,221,531	676,152	233,912	31,061
Gain on sale of investments		27,079			
	1,693,571	1,248,610	676,152	233,912	31,061
Minority interest:					
Preference and Class A shares of subsidiary companies	55,991	54,008	54,557	46,818	39,333
Common shares since acquired by Grafton Group Limited		164,000			
	55,991	218,008	54,557	46,818	39,333
Net income (loss)	\$ 1,637,580	\$ 1,030,602	\$ 621,595	\$ 187,094	\$ (8,272)
Earnings per common share	\$ 1.01	\$.69	\$.58	\$.18	\$ —

Retail Stores

Grafton and Jack Fraser

Applewood Village
Belleville
Brampton, Shopper's World
Brantford
Burlington, Burlington Mall
Burnaby, B.C., Lougheed Mall
Chatham
Dundas
Etobicoke, Sherway Gardens
Hamilton
Hamilton, Greater Hamilton Shopping Centre
Kamloops, B.C., Thompson Park Shopping Centre
Kitchener
Kitchener, Fairview Park Shopping Centre

London
Mississauga, Sheridan Mall
Newmarket, Newmarket Plaza
Oakville
Oakville, Hopedale Shopping Centre
Oshawa, Oshawa Shopping Centre
Owen Sound
Peterborough
Richmond Hill, Richmond Heights Shopping Centre
Sarnia, Lambton Mall
Sault Ste. Marie, Market Mall
St. Catharines, Niagara (2)
Peninsula Shopping Centre
Timmins

Toronto
Agincourt Shopping Mall
Albion Mall, Shoppers' World
Eglinton — West Side Mall
Eglinton Square
Northtown Shopping Centre
Pape and Danforth
Yorkdale Shopping Centre
Vancouver, B.C., Park Royal Shopping Centre
Victoria, B.C., Hillside Shopping Centre
Windsor, Devonshire Shopping Centre
Windsor, Dorwin Shopping Centre
Winnipeg, Man., Garden City Shopping Centre
Woodstock

Other

Galt
Lindsay

London, Wellington Square
London, Argyle Mall

Trenton
Welland

Leased Departments

Eastern Region

St. John's Newfoundland
Halifax, Nova Scotia
Sydney, Nova Scotia
Saint John, New Brunswick

Giffard, Quebec
Granby, Quebec
Levis, Quebec
Montreal, Brossard, Quebec
Montreal, Kirkland, Quebec

Montreal, LaSalle, Quebec
Montreal, Laval, Quebec
Montreal, Longueuil, Quebec
Montreal, St. Leonard, Quebec
Sherbrooke, Quebec

Ontario Region

Toronto, Agincourt Mall
Toronto, North Park Shopping Centre
Brantford

Cornwall
Hamilton
Kingston

Kitchener
London
St. Catharines

Sarnia
Sault Ste. Marie
Sudbury

Weston
Windsor (2)
Whitby

Western Region

Brandon, Manitoba
Winnipeg, Manitoba (2)
Regina, Saskatchewan

Calgary, Alberta (2)
Edmonton, Alberta (2)
Lethbridge, Alberta
Red Deer, Alberta

Burnaby, British Columbia
Vancouver, British Columbia
Victoria, British Columbia

the ACTIVATOR

A Grafton-Fraser Publication

May, 1971

Grafton-Fraser — Expands East & West across Canada

Following the successful opening of the Jack Fraser Sherway Gdns., Victoria & Kamloops B.C. Stores in Feb. & Mar., further Jack Fraser stores will open in the Fall as follows:

Montreal — First Jack Fraser Store to open in the Province of Quebec

#250. Le Cavalier Shop. Cen. Champlain Blvd., La Salle, Que. A modern 3,000 sq. ft. store specializing in Men's & Boys' Wear.

Belleville —

Second store to service expanding area, situated S.W. corner Hwy. 401 & Hwy. 14.

#331. Quinte Mall, 390 North Front St., Belleville, Ont. A spacious 5,000 sq. ft. store with Men's & Boys' Wear also Ladies Sportswear depts.

Calgary — First Jack Fraser Store to open in Alberta

#338. Northwest Market Mall, Calgary, Alta.

This large 6,600 sq. ft. store will bring to Calgary a unique merchandising concept. It will feature a complete range of men's famous brand name apparel. Presented first, as you enter, will be the men's sportswear & casual wear dept. and at the rear of the store, a quality clothing dept. with related accessories, such as, dress shirts, neckwear and dress pants. Complimenting the men's wear presentation and to the right of this dept. will be three separate, yet integrated boutique type depts. First, as you enter the store —THE LOFT— an elevated area featuring a carefully selected collection of high fashion women's sportswear, for the career girl and campus set. The sophisticated young shopper will recognize the well known brand names in THE LOFT and will find the price range most acceptable. It will be a fun place to shop with a "lofted" wood ceiling and various unusual objects & antiques lending to the Loft's warm & very Canadian atmosphere. Next to the Loft and in the central area of the store —THE PANT SHOP— a bold and colourful shop-within-a-shop, where it's strictly PANTS, PANTS and more PANTS! Levis, Lees, denims, prints, knits and everything that's groovy in jeans & pants, displayed en masse for all the guys & gals! And then —THE BOYS SHOP— boys and young men will feel right at home in their own separate boys' (age 8 to 18) dept. The decor here is crisp and contemporary, with the

(continued on back page)



Jack Fraser Store, Kamloops, B.C., opened March 10 '71. Staff and opening personnel showing the Western influence. From L to R — B. Iggulden, A. Lucas, Asst. Gen. Mgr.-Stores, R. Savard, Connie MacDonald, R. Bradshaw, Mgr., A. Howlett, Western Supvr.

Record Year — Sales and Earnings

The Grafton Group Limited Financial Report for the fiscal year ended Jan. 31 '71, shows sales rose 16% over the previous fiscal year, with a substantial increase in earnings. During the year, 14 high volume retail outlets were successfully opened and two stores closed. At the end of Mar. '71 there were a total of 90 outlets across Canada. The results are particularly gratifying in view of the difficult year experienced by the industry. Strict budgetary control of expenses contributed in a large measure to the increased earnings.

	Year End. Jan. 30/71	Year End. Jan. 31/70
Sales	\$42,003,840	\$36,153,523
Net Earnings	\$ 1,637,580	\$ 1,030,602
Percentage Income to Sales	3.8%	2.9%

With the increasing importance of customer satisfaction in the present competitive market, friendly service and satisfaction guaranteed, at all times, are essential for continuing success.

Woolco Expansion Continues

Following the grand opening of the Brandon, Man. and La Salle, Que. stores in Feb. '71, new stores are to open in '71 in the following areas:

Three Rivers, Quebec
Cap de La Madelaine, Quebec
Northland Village, Calgary, Alberta

Grafton-Fraser will have spacious Men's & Boys' depts. in each of these stores, making a total of 46 #401 Dept. outlets across Canada, with three units in the important Calgary market.

Grafton Group Limited — Public offering of securities

Grafton Group Limited through a syndicate of major underwriters, headed by A.E. Ames & Co., has made an offering to the Public of 600,000 Common Shares. An application has been made to list these shares on the Toronto & Montreal Stock Exchanges. Grafton Group owns all the Common Shares of Grafton-Fraser & L.C. Tobias Co. Ltd., manufacturers of home furnishings and accessories.

Enjoy Summer Heat in Cool Styled Comfort

Now Knitted Blazers in S.B. or D.B. with wide lapels and deep vents, in all wool or polyester, available in bold plain shades or sharp stripes. The permanent fresh look, with wrinkle free shape retention, will give you the cool styled comfort so important to combat summer heat — Bob Eagleson.

When the flow of information from keen & observant sales personnel, in ninety stores, can filter through to the Buyers, it can be of invaluable help in finding the right fashion look, for the right geographical area. This is essential for short cycle buying, on a two month delivery basis, which is necessary with fashion evolution. This shorter buying cycle has proved far superior, in this modern fast moving age, to the established six month buying cycle.

The fashion mood of our Youth Market has swung from costume & novelty, cartoon shirts etc., to extreme functionalism. The most important Youth Look, now and in the near future, is the Military Look, Western, Work Clothing and Knit Look. All with emphasis on durability & ruggedness.

Colours featured for Spring & Summer wear are plum, with variations to burgundy, wine, lavender and egg plant. For sport shirts they include deep brown & navy on white grounds. The skinny rib shirt or sweater continues to lead, with the knit dress or sport shirt becoming an increasingly important functional garment. Space dye knits re-appear as a new fashion trend & boucle knits in lightweight, are another functional item for Spring & early Fall — Bruce Reynolds.

Jean Happenings. Jeans—jeans—jeans, the hottest item in young men's apparel. Blue denim flares are still the best seller — button front, patch front pockets, low rise 22", are leading the sales parade. Black is now a major fashion colour in all styles, white should also be very strong, particularly in May & June. New 26" flare bottoms are becoming important especially in high tone brushed fabrics & blue denim. — Bob Hutchinson.

Boys' Wear Scene — Colour in High Shades of course, is the big factor for summer, from underwear to jeans & body sweaters. The Wallace Beery Look is still the main number in sweaters & will continue so into the Fall.

The Jean Scene is Turned-On & has been revved-up with the new look navy denim, with patch pockets & button fly front again number one. Wide flares style 242, in high shades will also sell well.

Fashion Belts are a must with new pants, again high shades, style GF411 in big demand. **Terry Cloth** will be BIG. High shades in knits & swimwear are on order for all outlets. Fashion is the key note for Spring & Summer with high shades in new designs & stripes leading the way. — Jim Walker, Dan Hasson.

Dundas firm once gave paintings away Hamilton Spectator

In the late 19th century a Dundas clothing firm, J.B. and J.S. Grafton gave away paintings as premiums.

They had branches in Dundas, Woodstock, Brantford, Peterborough, Hamilton, London and Owen Sound. The firm started in 1853 and was probably the largest and most diversified retail and mail order drygoods outlet in Canada.

Graftons gave coupons with purchases, which could be redeemed for merchandise. Framed oleographs, chromolithographs and oil paintings were among the most popular choices and they gave away large numbers.

Many of the Ontario families who dealt with Graftons moved on to homesteads in the west and took their pictures with them. Almost all are about 18" x 24" in heavy wood and gilt frames.

The frames alone sell now for about \$20. Chromolithographs and oleographs are not valuable in themselves although they probably will be. Oil paintings are valuable even unsigned.

The paintings given as premiums are usually on cardboard, not canvas, and were done in large quantities by itinerant artists. The artists peddled their paintings door to door as well as selling them to Graftons.

Most of the pictures are Canadian scenes, usually a lake with an

island, pine trees, a canoe and Indians, deer, a mountain, together or separately. In oil, even in bad condition, a painting may bring as much as \$100 — a tidy return on what was originally a giveaway.



Fashionable Skinny Rib Knits worn with popular Flared Bottom Jeans, modelled by Jim Rodgers, Warehouse Manager and his son, David is wearing a full turtle neck sweater & his jeans have a button through fly and large contrasting front patchpockets. Jim is wearing a mock turtle, short sleeve sweater & bold stripe jeans with large front patchpockets with flaps.

Consumerism — "Mission Possible"

Prize Essay by Casey J. Hansum #203 Park Royal, B.C.

The Association of Better Business Bureau International, in 1969 alone, recorded a total of 137,741 complaints against ten different kinds of businesses. Of these, 10,218 were directed to our particular field of endeavor. Interesting isn't it! These kind of statistics make retailers grimace and legislators get on the bandwagon for more governmental protection for the consumer. Both factions are equally determined to do something and to do it now. This is where we, as supervisors, buyers, managers, salesmen and women, have to decide on a clear cut course of action that will curb this anti-business feeling.

Every week we are all involved with one complaint or another regarding products, service or related incidents which require an adjustment of sorts. The manner in which these complaints are dispatched, determines the amount of goodwill, which we covet, yet do not put enough effort into for maximum results.

Why is it, that whenever a customer comes in with a cry of "I want my money back", or "I want a credit", that these people who for the most part, have a legitimate complaint are often dealt with as so much trouble? This area, where we can really excell with customer satisfaction and service, is most often neglected. Customers generally, do not particularly enjoy asking for an exchange or refund and they quite naturally are on the defensive when asking for this privilege. Being greeted with the same enthusiasm and courtesy as when he or she made the original purchase, creates more confidence than can be provided by all the expensive advertising. By being treated with indifference, these potential word of mouth advertisers become instead, self-appointed ambassadors of ill-will. As satisfactory relationships are based on mutual good faith, confidence and understanding, we must do the utmost to find and eliminate conditions that lead to complaints.

Let's become aware. Let us try even harder to improve our image by making courtesy in handling complaints standard procedure. Let's make a profession out of our chosen careers.

In the news...



Bruce Reynolds — Furnishing Buyer
Joined Grafton's in '57 as Buyer
for Men's & Boys' Furnishings.
'1961 to '67 with G.W. Robinson
as Buyer. Rejoined Grafton-
Fraser '68 as a Men's Furnish-
ing Buyer. Now Senior Men's
Furnishing Buyer for all
Divisions. Married in '51. Has
seven children, aged 7 to 18 yrs.
He is also instrumental in
promoting boys' hockey teams
in Mississauga.



Don Rossen—Senior Supervisor
Joined Jack Fraser Stores in '50.
Manager Junction '54, Oakville
'55, Applewood '56, Northtown
'59, Yorkdale '64, Grafton's
Hamilton '68. Made Grafton-
Fraser Supervisor '69, Senior
Supervisor '71 for 24 units in
Western Ontario. Married '58.
Two children.



Albert Martin—Supervisor
Joined Jack Fraser stores from
Ireland in '53. Manager Junction
'54, St. Catharines '56, Hopedale
'68, Sheridan Mall '69.
Supervisor Eastern Ontario '71
(17 Units).



Al Howlett—Supervisor
Joined Grafton's London '65.
Promoted to manage Talisman,
London '65, #335 London '67,
#206 Lougheed Mall B.C. '70.
Supervisor Western Canada '71.



Neil Buechler— #207 Winnipeg
Mgr. Joined Woolco #401
Calgary '66. Asst. Mgr. Victoria
'67, Manager Laval '68, Calgary
'68. Rejoined as Asst. Mgr.
Agincourt '70. Appointed to
manage above Jack Fraser
Store Oct. '70.



Tom Smyth — Mgr. #230
Sherway Gdns. Joined Jack
Fraser Stores from Ireland in
'53. Gained sales experience at
various stores before being
promoted to manage Newmarket
in '65 and Sherway '71.
Married in '58, has two children.



LOFT — Annual Ladies Sportswear Seminar & Luncheon
Held at the Holiday Inn, Dufferin/Hwy 401 Toronto on Mar. 15 '71.
Mrs. Isabelle White & Shirl Slater arranged for a very attrac-
tive showing of High Fashion Spring & Summer sportswear.
Mrs. White gave a most interesting address to the store Mana-
gers & Loft personnel present. Mar. 15 was also the 11th
Anniversary of the first Ladies Sportswear dept. to be opened
in the Grafton stores.

HOT PANTS as beautifully displayed on model above, were
decidedly the main fashion attraction for the coming season.



Terry Freeman— #401 Supervisor
for Toronto, Whitby, Kingston,
Cornwall & liaison with Woolco
Head Office. Joined Jack Fraser
Stores '55, Asst. Mgr. #401,
Hamilton '63, Manager Sault
Ste. Marie '64. Victoria '65, B.C.
Supervisor '68, Ontario Suprv.
'70. Married '69. 2 sons.



Harvey Beech — Suprv. #401
Western Canada
Joined #401 Div. in '67 as Asst.
Mgr. #462 Edmonton. Promoted
to manage Lethbridge '68.
Western Canada Suprv. '71.
Married '57. Five children. 12
yrs. previous managerial
experience in Man. & Alta.



Jim Bowes — Mgr. #492..
Brandon. Joined #401 Woolco
Div. in '69. Sales & Asst. Mgr.
experience at #466 & #480
Winnipeg. Married. Two
children. Promoted to manage
Brandon #401 in Feb. '71.



Roger Huel — Gérant #493
La Salle. Rejoint la Div. Woolco
#401 Regina en 68. Assistant
gérant Transcona '69. Promu à
diriger Kirkland '70, La Salle '71

Calgary - continued from front page.

emphasis on fashion plus value in well known Canadian brands boys' wear. The dept. will be complete in all boys' wear lines including clothing & a selection of Husky sizes. The overall store front and interior design is very contemporary, yet remains warm and comfortable through the extensive use of colourful graphic designs, a completely carpeted sales area and the rich British Columbia cedar boarding, evident in all newer Jack Fraser Stores. This shopping centre in the northwest end of Calgary is a very major regional centre of some 700,000 sq. ft. and includes Woodwards and Hudson's Bay.

When these three fine new stores open, there will be a total of 93 Grafton-Fraser outlets across our Big Land from St. John's, Newfoundland to Victoria, Vancouver Island, B.C.

Grafton-Fraser — Honour Roll

1971 Promotions contd.

Name	New Position	Previous Position
Larry Aldham	Mgr. 184 Lindsay	Sales Guelph
Stan Mumford	Mgr. 202 Victoria	Mgr. Lindsay
Denis Charlebois	Mgr. 205 Pape	Supvr. 401 Woolco
Terry Thornton	Mgr. 210 Newmarket	Sales Sheridan
Bill Higashi	Mgr. 221 Agincourt	Mgr. Pape
Roy Bradshaw	Mgr. 224 Kamloops	Sales Burnaby
Tom Smyth	Mgr. 230 Sherway	Mgr. Newmarket
Rick Campbell	Mgr. 249 St. Catharines	Sales Sarnia
Ken McCrea	Mgr. 323 Brampton	Sales Albion
Bill Richards	Mgr. 325 Sheridan	Sales Sheridan

Woolco Dept. #401 — Honour Roll

1971 Promotions contd.

Name	New Position	Previous Position
Frank Doyle	Mgr. 465 Calgary	Mgr. Whitby
Jack Lawrence	Mgr. 479 Whitby	Mgr. Keele/Law.
Pierre Laliberte	Mgr. 483 Kirkland	Asst. Mgr. Laval
Joseph Buby	Act. Mgr. 489 Keele/Law.	Asst. Mgr. Victoria
Don Perry	Asst. Mgr. 452 Sudbury	Sales Sudbury
Percy McDonald	Asst. Mgr. 455 Sydney	Sales Sydney
Francois Benoit	Asst. Mgr. 460 Granby	Sales Brossard
Richard Trahan	Asst. Mgr. 491 Red Deer	Sales Calgary
John Holmes	Asst. Mgr. 470 Kingston	Sales Kingston
Lawrence Spilak	Asst. Mgr. 476 Lethbridge	Sales Lethbridge
Ronald Leduc	Asst. Mgr. 477 Cornwall	Sales Cornwall
Dave Gray	Asst. Mgr. 478 St. Catharines	Sales Sarnia
Dick Turner	Asst. Mgr. 479 Whitby	Sales Kitchener
Kenneth Turner	Asst. Mgr. 480 Winnipeg	Sales Winnipeg
Klaus Hemmerling	Asst. Mgr. 481 Burnaby	Sales Edmonton
Richard Keddy	Asst. Mgr. 482 Halifax	Sales Halifax
Maryo Lamothe	Asst. Mgr. 483 Kirkland	Sales Kirkland
Raymond Langlois	Asst. Mgr. 484 Giffard	Sales Giffard
Bob Allen	Asst. Mgr. 488 Sarnia	Sales Sarnia
Marcel Blais	Asst. Mgr. 493 La Salle	Sales Windsor

Congratulations — Marriages

Dian Slager. Mgrss. #334 Loft, Hamilton. To Joe Wagenaar of Stoney Creek on April 3'71.

Wayne B. Ruttan. Mgr. #470 Kingston. To Debra D. Clarke of Kingston on April 17'71.

Alex Misana. Sales #456 Calgary. To Marlene Abel of Prince Albert, Sask., on Feb. 20'71.

Tyrone Power. Sales #214 Eglinton Sq. To Ruby Saint of St. Johns, Nfld. on April 3'71.

Rick Shalley. Mgr. #488 Sarnia. To Judi Russell of Sarnia on March 27'71.

Jim Powell. Asst. Mgr. #486 Weston. To Carol Attle of Toronto on May 22'71.

Births — Congratulations

Harvey Auger. Quebec & Maritimes Supvr. Third child and son, to Penny & Harvey Feb. 26'71.

Jim Bowes. Mgr. #492 Brandon. Second child — Tammy-Lynne. Daughter to Linda & Jim Dec. 30'70.

Don Perry. Asst. Mgr. #452 Sudbury. First son, Corwin to Sandra & Don on April 8'71.



Sid Cook #477 Cornwall Manager who won recently one of the Ski-doo & Ski-boose competitions. With wife and daughter, Jennifer enjoying their ski-doo. According to Jennifer, the ski-boose will be in big demand a little later.

Grafton-Fraser Supervisory Appointments

To meet the demands made by the rapid growth, the Supervisory Force has now been expanded for the Jack Fraser, Grafton's Ltd. & Ross Stores Divisions.

Mr. Don Rossen

Has become Senior Supervisor responsible for 25 units in Western Ontario.

Mr. Al Howlett.

Has been promoted to Western Supervisor in charge of British Columbia units & will also continue as manager of Loughheed Mall.

Mr. Albert Martin.

Previously very successful Manager of Sheridan Mall, has been promoted to Eastern Ontario Supervisor responsible for 17 stores from Belleville to the Soo & Winnipeg.



Golden Anniversary — Wes Cheer #332 Owen Sound. Congratulations to Wes on completing 50 years service. His grand record as Manager of the Furnishing Dept., has greatly added to the success of this fine Grafton store Col. J.J. Grafton, son of the founder, was President when Wes joined the company in 1921.

Wes is one of four employees who served a combined total of 195 years in this store. W.Tighe manager 1923 to '56 with 67 years service, K. Tighe and S. Pearce the present manager, being the other three men who have helped set this unique record. In the twenties the prices of merchandise were very much lower than they are to-day. Wes informs us Socks or Ties were 35¢ to 75¢, Suits \$24.95 to 38.50, Overcoats from 16.95, Work Shirts 69¢ to 99¢ and Bib Overalls 1.65.



Retirement. Best wishes to Joe Kerr who retired on Apr. 30'71. He helped open the Jack Fraser, Oshawa store in Nov. '56 and has been serving the people of Oshawa for nearly 40 years. Joe was previously with Sid-berrys of Oshawa from 1933. He has seen many changes during this period, including the enclosing of the large Oshawa Shop. Cen. Mall, one of the most important projects of its kind.

Retirements — Best wishes to Frank Wickware who retired on Mar. 31'71, after over 44 years service as clothier at the Jack Fraser Pape & Danforth store. Best wishes also to Pete Falconer who retired on Feb. 10'71. He was previously manager of a Jack Fraser store for many years and served the Company for 35 years. We wish them both good health and happiness in their retirement.

Obituary — we regret to announce the death of Lou Roland on Feb. 14'71. Prior to leaving in '68, he was for many years a member of the display staff. He will be well remembered for his happy disposition and prowess at golf.

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